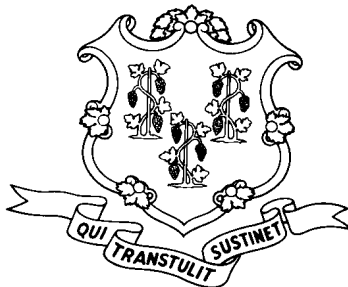


2010/2011 ALLOCATION PLAN
FOR THE
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
BLOCK GRANT



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**2010/2011 ALLOCATION PLAN
FOR THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM BLOCK GRANT**

I. INTRODUCTION

The Connecticut Energy Assistance Program (CEAP) is designed to help offset the winter heating costs of Connecticut's lower income households, specifically those households whose incomes fall at or below 150 percent of the federal poverty guidelines as well as elderly and/or disabled households with incomes between 150 percent and 200 percent of the federal poverty guidelines. In addition, households with incomes between 150 percent and 200 percent of the federal poverty guidelines who are not eligible under CEAP will be eligible to receive assistance under the Contingency Heating Assistance Program (CHAP) for the 2010/2011 program year.

The CEAP is funded by the U. S. Department of Health and Human Services' (HHS) Low Income Home Energy Assistance Program (LIHEAP) Block Grant, which has not yet received a funding level for Federal Fiscal Year (FFY) 2011. In order to plan the program in a timely manner, \$72 million in federal funds is assumed. This figure is based on the President's recommended FFY 2011 LIHEAP Block Grant funding level of \$2.51 billion. Based on this national funding level, Connecticut would receive approximately \$52.7 million in LIHEAP Block Grant funds. In addition, an estimated \$10.6 million in FFY 2010 carry-forward funds and \$8.7 million in FFY 2011 LIHEAP Contingency Funds is anticipated. The FFY 2011 Contingency Funds represent level funding with those funds received in FFY 2010. The total available funds as identified in the plan are \$72 million. This constitutes the Department of Social Services' best estimate of the funding that may be available under this Plan, excluding any additional federal funds which may be received.

The Department of Social Services (DSS), with the help of its partners, the Community Action Agencies, administers CEAP. DSS will monitor the program, and will make a report to the General Assembly's committees of cognizance by January 28, 2011, regarding the program's status.

The administration will work, in conjunction with others, including local governments, private human services providers and the General Assembly's committees of cognizance, to assist Connecticut residents who are CEAP eligible in maximizing potential energy assistance options.

In order to help offset a household's winter heating costs, the State will provide both energy assistance and conservation services. Energy assistance consists of:

A. HEAT BENEFITS

A. 1. BASIC BENEFIT

A. 2. CRISIS ASSISTANCE BENEFIT

A. 3. SAFETY NET ASSISTANCE BENEFIT

B. RENTAL ASSISTANCE BENEFITS

Benefits in the CEAP Program vary to reflect need, cost or energy burden. The Plan is designed to provide the highest level of assistance to those households who have the lowest incomes and the highest energy needs in relation to income; this takes into account household size and vulnerability. As documented by Roger Colton in his publication entitled *Home Energy Affordability Gap: Current State Facts Sheets – Connecticut 2006*, households in Connecticut with the lowest incomes pay a higher percentage of their income to cover their energy costs.

The provision of assistance under CEAP is subject to the availability of funds. If the funds provided for payments under this Plan are judged by the state to be in danger of exhaustion prior to the scheduled end date, then the state reserves the right to close the program or portions of the program early. If federal funding is provided in an amount higher or lower than the level assumed under this Plan, program services and benefits may be adjusted.

This Plan provides a framework for overall program operation. DSS will develop policy and procedures which further detail the rules of operation.

II. ADMINISTRATION

The Department of Social Services' responsibilities in the administration of the CEAP will be to:

- A. Prepare and submit the LIHEAP Allocation Plan to the Governor and, following legislative approval, submit the Plan to the federal government.
- B. Compile and submit any program reports required under state and federal law to the appropriate bodies.
- C. Act as grantee agency for the State for all LIHEAP funds.
- D. Ensure coordination of the CEAP with other energy and conservation assistance programs offered by the State and other public or private entities.
- E. Contract with Community Action Agencies (CAAs) or any other qualified non-profit or for profit entities to provide standardized services to all eligible households, including those households receiving assistance from DSS programs, and to process applications from any such households wishing to apply for benefits.
- F. Initiate agreements with energy vendors to ensure program standardization and provide current lists of eligible vendors to DSS contractors.
- G. Mail energy assistance notifications to all households participating in programs specified in section IV., subsection A. of this Plan.
- H. Provide CAAs with lists of households whose Temporary Family Assistance benefits are being discontinued as a result of time limitations.
- I. Provide handouts which inform clients in writing of all other energy and conservation-related programs administered or funded by the State.
- J. Complete weekly and monthly fiscal and program activity reports.
- K. Allocate the personnel resources necessary to provide reasonable protection against client and vendor fraud, develop anti-fraud strategies designed to strengthen program integrity, establish a fraud referral method for reporting suspected program abuse and investigate all reported claims of suspected program abuse.
- L. Track carryover funds from the 2009/2010 program.

- M. Provide, once the block grant has been determined, a budget estimating total program expenditures and, for DSS and each contracting agency, a line-item budget of administrative expenditures for CEAP.
- N. Track the number of gallons of #2 home heating oil purchased under the CEAP. Track the average fixed margin price, the average retail price, and savings per gallon for #2 home heating oil.
- O. Monitor the performance of DSS contractors in delivering services and in reporting to DSS.
- P. Provide standard application forms/format for all energy programs administered by the Department. The application form shall include a statement that non-qualified aliens are not eligible for energy assistance benefits (other household members who are either qualified aliens or citizens may be eligible for energy assistance benefits).

III. PROGRAM DEFINITIONS

For the purposes of this Plan, the following terms are defined:

Boarders – Persons whose meals are included in their rent.

Dwelling Unit - Any residential property, (i.e., apartment, house or stationary mobile home) in which the occupants have exclusive kitchen facilities. It does not include commercial property, boarding homes, group homes, hotels, motels, cars, vans, recreational vehicles, campers, seasonal residences, or any other accommodation that has not been issued a certificate of occupancy.

Household - Any individual or group of individuals who are living together in a dwelling unit, including, but not limited to, all individuals who are related by blood, marriage or adoption, and whose residential energy is purchased in common, or who make payments for energy in the form of rent. Households do not include individuals who reside at an institution of higher learning, are incarcerated, or are unrelated foster children or unrelated foster adults.

Income/Mean of Support - Gross salaries/wages, tips, pensions, dividends, interest, rental income, estate or trust income, royalties, social security and supplemental security income (excluding Medicare premium if applicable), veterans' benefits, unemployment compensation, workers' compensation, monetary and non-monetary contributions from friends and relatives, alimony, child support, lottery winnings, self-employment income, and governmental assistance not otherwise excluded as income.

Life-threatening - Any situation in which an eligible household is unable to secure primary deliverable heating fuel and is without or within one week of being without said fuel.

Liquid Assets - Assets which are readily convertible to cash. Liquid assets include: savings accounts, checking accounts, bonds, stocks/shares, certificates of deposit and individual retirement accounts. (Individual retirement accounts are considered to be liquid assets if the accounts are in the name of a household member who is at least 59 ½ years old.)

Mixed Income Household - Any household in which one or more members are receiving cash benefits and/or food stamps from DSS and there are other members of the household who are not receiving DSS cash benefits and/or food stamps.

Non-qualified Aliens – Individual(s) who are in this country illegally and individual(s) who are here legally but temporarily, on student or tourist visas.

Primary Source of Heat – The principal fuel source used by a household to heat its dwelling unit.

Rental Assistance Households - Households which do not make direct vendor payments for their primary source of heat. Such households include owners of dwelling units where the primary source of heat is not individually metered and is not separately billed to the household by a vendor.

Retail Price - The price charged by a vendor for services or product, exclusive of any discounts, delivered or provided to similarly situated, non-CEAP households.

Vendors - Persons or companies providing legal heating fuel in legally measured amounts supported by proper documentation.

Vulnerable Household – Any household in which one or more members is either elderly (defined as 60 years of age or older), disabled or under the age of six.

IV. INCOME ELIGIBILITY

A. Any household in which all household members are participating in one or more of the following DSS programs will automatically be considered income eligible for the CEAP, but must meet all other eligibility requirements to receive benefits:

1. Temporary Family Assistance
2. State Supplement to the Aged, Blind and Disabled
3. Refugee Cash Assistance Program
4. Supplemental Nutrition Assistance Program

B. Any household whose annual gross income is at or below 150 percent of the federal poverty guidelines is income eligible for the CEAP.

150 PERCENT OF FEDERAL POVERTY GUIDELINES

| | | | | | | | | |
|----------------|----------|--------|--------|--------|--------|--------|--------|--------|
| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Annual Income | \$16,245 | 21,855 | 27,465 | 33,075 | 38,685 | 44,295 | 49,905 | 55,515 |

(For households with more than eight members, add \$5,610 for each additional member.)

C. Any household with elderly (60 years of age or older) and/or disabled member(s), whose annual gross income is at or below 200 percent of the federal poverty guidelines is also income eligible for the CEAP.

200 PERCENT OF FEDERAL POVERTY GUIDELINES

| | | | | | | | | |
|----------------|----------|--------|--------|--------|--------|--------|--------|--------|
| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Annual Income | \$21,660 | 29,140 | 36,620 | 44,100 | 51,580 | 59,060 | 66,540 | 74,020 |

(For households with more than eight members, add \$7,480 for each additional member.)

D. Any household whose annual gross income is at or below 200 percent of the federal poverty guidelines, and who was not determined eligible for CEAP, is income eligible for the Contingency Heating Assistance Program (CHAP).

V. ELIGIBILITY CERTIFICATION**A. Basic Eligibility Criteria**

Households must apply for energy assistance to receive benefits, including those households that are automatically income eligible as described in section IV., subsection A.

1. DSS Cash Assistance Recipient Households

DSS cash assistance recipient households must be verified as receiving DSS cash assistance. Additional documentation of income and liquid assets may be required.

2. Supplemental Nutrition Assistance Program (SNAP) Only Recipient Households

SNAP only recipient households must be verified as receiving SNAP benefits. Additional documentation of income and liquid assets may be required.

3. State Administered General Assistance (SAGA) Recipient Households

SAGA recipient households may use a letter that verifies that they are receiving state general assistance and includes household size and income information. Documentation of liquid assets may be required.

4. All Other Households**(a) Income Documentation**

All other households will be required to document their income for the four weeks prior to the date of application, which will then be annualized. Households receiving income from self-employment shall complete a Self-Employment Worksheet, detailing income for the previous six calendar months.

(b) Assets

A liquid assets test will be an additional eligibility requirement for households in this subsection. These households must complete an assets declaration form. (Utility heated households and Rental Assistance households which meet the criteria in section IV., subsection A and section V., subsection A3 are not required to complete the assets declaration form. All deliverable fuel heated households will be required to complete the assets declaration form in order to determine eligibility for Safety Net benefits.) Households must provide verification of all liquid assets.

The liquid asset limit is \$10,000 for homeowners and \$7,000 for all other households. Households, whose liquid assets exceed the appropriate limit, may still be eligible for energy assistance if the household's gross income, when added to the excess liquid assets is within the income guidelines.

Documentation must be verifiable, or supported by affidavits, and households must comply with all reasonable requests for assistance in verifying documentation. The State, through its agents or grantees, reserves the right to investigate and verify the income and assets of households in order to protect the integrity of its programs.

B. Households Claiming No Income

Households claiming no income in the previous four weeks must sign an affidavit declaring their means of support for that period. The affidavit shall include authorization to verify all income and the financial status of the household. Documentation of liquid assets shall also be required.

C. Household "52 Week" Option

Any household has the option of having eligibility determination based on income from all household members for the previous 52 weeks from the date of application if that more accurately reflects the household's annual income. Documentation of liquid assets shall also be required.

D. Mixed Income Households

All mixed income household members receiving income must provide income documentation. Mixed income households will be considered income eligible for LIHEAP if the combined household annual gross income, including DSS cash benefits, is within the income guidelines as detailed in section III., subsections B, C and D. Mixed income households are also subject to liquid assets eligibility criteria, as detailed in section V., subsection A4(b).

E. Temporary Family Assistance (TFA) Disqualified Households

Households whose TFA benefits have been terminated as a result of time limitations will be contacted directly by the CAA to encourage their participation in the energy assistance programs.

F. Prioritized Services

Deliverable fuel heated households who are either without heating fuel, or within one week of being without heating fuel at the time of application, will be eligible to receive prioritized services. Such services shall include prompt eligibility processing. Households which are determined to be eligible will receive a fuel delivery authorization within 24 hours of the date of application.

G. Notification and Appeals

The CAA shall perform the eligibility determination and shall mail a notice of the results of such determination to the household within 45 calendar days, excluding state-designated holidays. DSS may work with the CAAs on any discrepancy in the determinations, with DSS' final decision taking precedence.

If a household wishes to appeal the eligibility determination made, it has the right to do so. All households will be notified in writing of their rights and obligations, and the procedures for appeal at the time of application.

H. Social Security Numbers

Only Social Security Numbers provided by the applicant will be entered in the Social Security Number fields on the application.

Exceptions are made for applicants and/or household members who have either:

1. Applied for, but not yet received a Social Security Number; or,
2. Are not required to have a Social Security Number (includes battered spouses, and victims of human trafficking).

I. Non-qualified Aliens

Non-qualified aliens are not eligible for LIHEAP benefits. Other household members who are either qualified aliens or citizens may be eligible for energy assistance benefits.

J. Households with Non-qualified Aliens

Non-qualified aliens shall not be included as part of the household when determining eligibility for energy assistance benefits. Income/liquid assets from non-qualified aliens shall be included when determining eligibility for energy assistance benefits.

VI. CONSERVATION SERVICES

In addition to receiving energy assistance benefits, eligible households may also qualify for the following conservation services:

A. Weatherization

Any household whose annual gross income is at or below 60 percent of the state median income guidelines is income eligible for the U.S. Department of Energy's Weatherization Assistance Program administered by DSS. Weatherization services are provided on a first come, first served basis, based on availability of funds and may be further prioritized by those households which are vulnerable. Households who are approved for Safety Net Assistance Benefits may also be prioritized for weatherization services.

Eligible households may also qualify for assistance with heating system repairs and/or replacement of unsafe, inoperable and/or inefficient heating systems. These services are provided through the Weatherization Assistance Program.

Households refusing weatherization services without good cause, as defined in agency policy, will be ineligible to receive energy assistance for the remainder of the current program year and for the following program year. Those households who are unable to accept weatherization services due to their landlord's refusal to sign a landlord agreement shall not be subject to denial of energy assistance. (The landlord agreement identifies the conditions under which weatherization services are to be provided.)

CAAs will report to DSS the names of all households refusing weatherization services without good cause. DSS will compile these lists, and provide the CAAs with a statewide list of all such households.

B. Clean, Tune and Test

The Department will establish a set-aside of \$150,000 to provide clean, tune and tests for CEAP and CHAP eligible households. Eligible households may request a clean, tune and test of their deliverable fuel heating system. Clean, Tune and Tests are not charged against the household's Heat Benefit. Renters must receive landlord permission.

VII. PROGRAM INTEGRITY

Social Security Numbers shall continue to be collected for all CEAP applicants and household members, except those identified in section V., subsections H1 and H2. The Department will continue to utilize the automated Social Security Number data transfer system which has been implemented with the CAAs.

This system electronically transmits to the Department the Social Security Numbers of all applicants and household members requesting CEAP assistance.

As part of the Department's ongoing effort to ensure that CEAP benefits are provided only to eligible households, all CAAs have been provided look-up access to the Department's Eligibility Management System (EMS).

EMS enables CAAs to confirm the identity of those applicants and household members who are either currently or have previously received assistance through various Department-run programs, including, but not limited to, Temporary Family Assistance, Supplemental Nutrition Assistance Program, Refugee Cash Assistance Program and State Supplement to the Aged, Blind and Disabled. EMS serves as a valuable resource, assisting CAAs with issues concerning household composition, address and income.

In an effort to ensure the authenticity of vendors, all heating oil and propane vendors wishing to participate in the CEAP must provide verification that they have registered with the Department of Consumer Protection (DCP) in accordance with section 16a-23m of the Connecticut General Statutes.

VIII. FRAUD

Persons who misrepresent their circumstances in applying for energy assistance are subject to prosecution and/or recoupment of any benefits provided, following due process as defined in agency regulations, and are ineligible for the remainder of the current program year. In addition, said households will also be prohibited from participation for a period of two program years following the year in which the misrepresentation occurred. Persons who divert benefits to ineligible households are subject to the same penalties, following proper due process as defined in agency regulations.

Vendors or home energy suppliers committing fraud, misrepresentation, or a violation of any aspect of their Vendor Document are subject to prosecution and suspension, if convicted, from the CEAP. Vendors suspected of fraud, misrepresentation, or of violating the Vendor Document, may be suspended from participation in the CEAP while legal proceedings are pending. Vendors convicted of fraud are suspended from participation in the CEAP for a period of five years following the year in which the offense occurred.

The Department has established a Fraud Hotline (1-800-842-2155) to permit individuals and vendors to report cases of suspected program abuse.

IX. BASIC BENEFIT LEVELS

Basic Benefit awards are determined based on income, household size, vulnerability and liquid assets. Households with vulnerable members and the lowest incomes receive the highest awards.

Note: Boarders are not eligible to receive Basic Benefits.

The chart below details the CEAP Basic Benefit awards by percent of federal poverty guidelines:

| <u>POVERTY GUIDELINES</u> | <u>BASIC BENEFITS</u> | |
|-------------------------------------|-----------------------|---------------------------|
| | Vulnerable Households | Non-Vulnerable Households |
| Up to 100% | \$675 | \$615 |
| 101% - 125% | \$575 | \$515 |
| 126% - 150% | \$475 | \$415 |
| 151% - 200% (elderly/disabled hsls) | \$375 | n/a |

Households which are approved for benefits under CHAP will be awarded a Basic Benefit of \$275.

If the state receives funding at a level other than that specified in the Plan, Basic Benefits may be adjusted accordingly.

X. RENTAL ASSISTANCE BENEFIT LEVELS

Rental Assistance Benefits are available to those households who do not make direct to vendor payments for their primary source of heat, have annual gross incomes up to 150 percent of federal poverty guidelines and pay **more** than 30 percent of their gross income towards rent.

Note: Boarders are not eligible to receive Rental Assistance Benefits.

Households that are determined eligible for rental assistance will receive a check to defray heating costs.

LIHEAP Rental Assistance Benefit awards will be as follows:

| <u>POVERTY GUIDELINES</u> | <u>RENTAL ASSISTANCE BENEFITS</u> |
|---------------------------|-----------------------------------|
| Up to 100% | \$240 |
| 101% - 125% | \$220 |
| 126% - 150% | \$200 |

Rental assistance households must present verifiable documentation of current rent. Rental assistance households that move and become responsible for their primary heat may receive Basic Benefits up to the maximum available to a household at the appropriate benefit level, less any Rental Assistance Benefits already received. For example, a rental assistance household which moves to a non-rental assistance situation, which had already received \$240 in Rental Assistance Benefits and is now eligible for a \$675 Basic Benefit, can receive up to \$435 of Basic Benefits towards their primary source of heat. Crisis and Safety Net Benefits may be provided if the new primary source of heat is a deliverable fuel and the household meets the criteria.

Conversely, if a household moves from a situation where they are responsible for payment of their primary source of heat, to a dwelling unit where they do not make direct vendor payments for their primary source of heat, they may receive the difference between what they have received in Basic Benefits and what they would be eligible for under the Rental Assistance Benefits matrix.

For example, if a household at 100 percent of poverty which has used \$200 of its \$675 Basic Benefit then moves to a Rental Assistance situation, the household will be eligible for a Rental Assistance Benefit of \$40 if they meet the eligibility criteria for Rental Assistance Benefits. The household will no longer be eligible for a Basic Benefit. Such households must document the change in circumstances, including verification of rent, but need not have income redetermined.

No more than one Rental Assistance Benefit will be issued per dwelling unit.

If the state receives funding at a level other than that specified in the Plan, Rental Assistance Benefits may be adjusted accordingly.

XI. LIHEAP SNAP BENEFITS

LIHEAP benefits are available to SNAP recipient households who do not make direct to vendor payments for their primary source of heat, have a shelter and/or utility obligation and pay **less** than 30 percent of their gross income towards rent.

Eligible households shall receive a direct cash benefit in the amount of \$1. This benefit will be issued by the Department to all eligible households. Receipt of a LIHEAP SNAP Benefit shall qualify the household to have their SNAP benefits recalculated, using the maximum Heating/Cooling Standard Utility Allowance (SUA). For most households, the SUA recalculation will result in increased SNAP benefits.

XII. CRISIS ASSISTANCE

The state will implement a Crisis Assistance Program to address the heating needs of deliverable fuel heated households who have exhausted their Basic Benefits and are still in need of assistance.

Deliverable fuel heated households who are unable to secure primary heat will be eligible to receive a needs-based Crisis Assistance benefit of up to \$350. If a deliverable fuel heated household is determined eligible for Crisis Assistance, a fuel delivery will be authorized within 18 hours of the household's request.

A redetermination of income eligibility will not be required to receive Crisis Assistance.

XIII. HEALTH AND SAFETY INTERVENTION

Deliverable Fuel Heated Households

In an effort to ensure that CEAP households have greater access to heat, the state will implement a Safety Net Assistance Program. Subject to the availability of funds, Safety Net Assistance benefits may be available to CEAP deliverable fuel heated households who have exhausted their Basic Benefits and Crisis Assistance benefits and are in a life-threatening situation. The Safety Net Assistance benefit will be \$350. Vulnerable households may be eligible to receive Safety Net Assistance benefits up to two times during the program year. Non-vulnerable households may be eligible to receive Safety Net Assistance benefits once during the program year. The Safety Net Assistance benefit is designed to address the heating needs of the state's most vulnerable households. CHAP households are not eligible to receive Safety Net Assistance benefits.

For households requesting Safety Net Assistance benefits, a risk assessment determination must be completed. The risk assessment determination involves a review of the household's income, liquid assets and expenditures. If it is determined that the household has insufficient resources to cover the cost of the fuel delivery on its own, then a Safety Net Assistance fuel delivery may be authorized.

Utility Heated Households

CEAP utility heated households are protected from winter disconnection, per CGS 16-262c, and are therefore not eligible to receive the needs based Crisis Assistance benefits and Safety Net Assistance benefits. If a utility heated household's service has been disconnected, or is being threatened with disconnection, the CAA will work directly with the utility vendor to either reinstate the service or to prevent the disconnection.

To the extent possible, utility heated households facing unaffordable service arrearages will be assisted by the CAA in enrolling in the Matching Payment Program (MPP). The MPP is a state-mandated initiative, under section 16-262c of the Connecticut General Statutes, which enables CEAP eligible households to maximize their energy benefits, reduce and/or eliminate their service arrearages and empower them to gain greater control of their energy costs. Under the MPP, CEAP eligible households enter into a payment arrangement with their utility vendor. As long as all customer payments have been made, the utility vendor will provide a dollar-for-dollar match of both the total customer payments and the

CEAP benefit. The resulting match is applied to the customer's service arrearage. Please note, only publicly regulated utilities are mandated to participate in the MPP.

Utility heated households who are unable to meet their utility payment arrangement may be assisted by the CAA in negotiating a reduced payment arrangement with the utility vendor.

XIV. PROGRAM DATES

- | | | |
|------------|---|--|
| November 1 | - | First day for fuel deliveries which can be paid by the program. |
| | - | First day for authorization of fuel deliveries. |
| March 15 | - | Deadline for fuel authorizations or deliveries. |
| May 2 | - | Last day that a household can apply to establish its eligibility for benefits unless the household is utility heated and has a shut off notice for its primary source of heat. |
| May 16 | - | Last day that a utility heated household with a shut off notice for its primary source of heat can apply to establish its eligibility for benefits. |
| May 31 | - | Last day to submit deliverable fuel bills. |

XV. ADDITIONAL BENEFITS/SERVICES

Should funds received exceed the amount required to meet the benefit levels specified in this Plan, the additional funds may be utilized to provide Basic Benefits to households with incomes over 200 percent of the federal poverty guidelines but not greater than 60 percent of the state median income, increase CEAP and/or CHAP Basic Benefits, increase Rental Assistance Benefits, increase the amount of the Crisis Assistance and/or Safety Net Assistance benefits, extend the program intake period, provide funds for furnace repairs and/or replacements to address unsafe, inoperable and/or inefficient heating systems, extend the authorization period for Basic Benefits, Crisis Assistance and/or Safety Net Assistance, provide additional Crisis Assistance and/or Safety Net Assistance benefits, provide an additional benefit on behalf of eligible utility heated households, provide heating assistance to DSS-funded homeless shelters and/or implement a pre-buy program for next year's heating season.

Should contingency funds be released and designated to be used for cooling measures, funds will be used in accordance with guidance provided by HHS.

XVI. PAYMENTS

In order for deliverable fuel heated households to receive CEAP Heat Benefits, bills must be presented and must be in the name of a household member who is of majority status or an emancipated minor. For households that heat with propane, kerosene, wood, or coal, CEAP Heat Benefit payments will be based upon the cost of the delivery as stated on a valid bill. For households that heat with oil, CEAP Heat Benefit payments will be made in accordance with the Fixed Margin Pricing Program. Payments will be made only for primary deliverable heating sources delivered on or after November 1, 2010. Payments will be issued regardless of any customer payments made against the bill. Unless otherwise specified in this Plan, all payments will be vendor payments.

In order for utility heated households to receive Basic Benefits, the account must be in the name of a household member who is of majority status, or an emancipated minor. Verification of the account number must be provided. Only residential accounts are eligible for payment. Basic Benefit payments will be credited to the household's account regardless of other payments made to the account. Basic

Benefits are for utility costs incurred from November 1, 2010 – May 1, 2011. Should the Basic Benefit exceed the charges for service incurred during this period, the utility company shall refund the difference to the Program through the CAA. Basic Benefit payments to electric distribution companies will be credited in accordance with Department of Public Utility Control Regulations adopted pursuant to section 16-245d of the Connecticut General Statutes.

No payments will be issued on behalf of, nor services authorized to, unoccupied dwelling units.

If a household has a credit balance resulting from a CEAP payment(s), the household may request a refund of the credit balance. If a household moves, and a credit balance resulting from a CEAP payment(s) exists in their account, and the household cannot be located, then the balance is to be returned to the program through the CAA.

If a household moves and their heating source and/or utility company changes, they may redesignate any unobligated portion of their Basic Benefit. Crisis Assistance benefits and Safety Net Assistance benefits may be provided to CEAP eligible households if the new primary source of heat is a deliverable fuel and the household meets the eligibility requirements as detailed in sections XII. and XIII.

If a household's heating system becomes inoperable, the household has the option of redetermining the primary source of heat. The household may choose to go back to the original primary source of heat once the heating system has been repaired.

Basic Benefits may pay for the cost of a start-up of a household's natural gas heating system (not including reconnection fees). CEAP Heat Benefits may pay for the cost of a start-up of a household's deliverable fuel heating system, provided the charge is the same that the vendor charges to all similarly situated customers who are not receiving CEAP assistance.

Each site making authorizations or payments will be responsible for keeping an up-to-date control card or computer record for each eligible household. This control file will detail the benefits awarded to the household, and will include the heating source, deliveries/services authorized, and payments issued on behalf of the household.

Payments made directly to, or on behalf of CEAP households shall not be considered income or resources for any purpose under any Federal or State law per section 2605(f)(1) of the LIHEAP statute.

XVII. VENDORS

All energy vendors wishing to participate in the CEAP must sign a Vendor Document which details the conditions under which payments will be made to each type of vendor. The only exceptions will be vendors of wood and coal, whose practices as energy suppliers to CEAP clients will be governed by existing state statutes.

The purpose of the Vendor Document is to ensure program standardization, fair treatment of CEAP customers by vendors, and to establish the conditions for payments on behalf of customers receiving assistance from the CEAP, including a requirement that vendors provide the same price discounts (including early payment discounts) to customers receiving CEAP assistance as the vendors provide to similarly situated customers.

The Vendor Document will also establish the pricing/reimbursement mechanism that the state will utilize on behalf of oil heated households.

Vendors who sign the Vendor Document and verify their registration with the DCP will be placed on a list of "approved vendors" which will be supplied to the CAAs by DSS. Such documents do not guarantee vendors the right to participate in the CEAP should the State establish, in accordance with the provisions

of Section 4-28b of the Connecticut General Statutes, further criteria for participation in the CEAP, or in cases where the vendor is suspected of fraud, misrepresentation or of violating the Vendor Document.

The state reserves the right to inspect/audit the records of any deliverable fuel vendor presenting a bill for payment by the CEAP, in order to verify the bill either before or after payment is made.

The state reserves the right to inspect/audit the records of utility companies receiving payment under the CEAP, in order to verify that the proper customer accounts are being credited.

XVIII. FIXED MARGIN PRICING PROGRAM

Information from the Oil Price Information Service (OPIS) will determine the daily Fixed Margin Price, which will be used to pay oil vendors making deliveries to CEAP households. The Fixed Margin Price will be based on the daily New Haven Rack Average OPIS Price (for standard No. 2 fuel oil with 0.3 sulfur content, gross No. 2 distillate), plus a fixed margin of 31 cents per gallon.

The Fixed Margin Pricing Program also includes county differentials in the pricing mechanism to reflect increases in transportation and delivery costs. The differentials vary from county to county, and are determined based on each county's proximity to the New Haven harbor. The county differentials are as follows, and include the 31 cents fixed margin:

| | |
|-------------------|---------|
| New Haven County | \$0.327 |
| Middlesex County | \$0.343 |
| Hartford County | \$0.349 |
| New London County | \$0.352 |
| Fairfield County | \$0.353 |
| Tolland County | \$0.368 |
| Litchfield County | \$0.377 |
| Windham County | \$0.380 |

Under the Fixed Margin Pricing Program pricing mechanism, oil deliveries made on Wednesday, November 25, 2009 were paid based on the Tuesday New Haven Rack Average OPIS Price, as provided on Tuesday, November 24, 2009 by OPIS. The price was determined as follows:

| | |
|-------------|---|
| \$2.018 | New Haven Rack Average OPIS Price, Tuesday, 11/24/09 |
| .310 | Fixed Margin |
| <u>.070</u> | County Differential – Windham County |
| \$2.398 | Total Fixed Margin Price for #2 oil, Wednesday, 11/25/09 (Windham County) |

Please note, since each county has a different county differential, the Total Fixed Margin Price on any given day will vary from county to county.

Vendors who deliver in multiple counties will be paid in accordance with the county differential in which the delivery is made. DSS will determine all fixed margin prices.

The pricing mechanism may be adjusted by DSS to respond to unanticipated changes in the #2 heating oil market.

Vendors must put their retail price on all delivery tickets, bills or statements. If the vendor's posted retail price is lower than the Fixed Margin Price, the vendor will be paid in accordance with the retail price.

For those deliveries of home heating oil paid by the program, vendors shall not charge CEAP customers the difference between their retail price and the CEAP payment.

DSS staff may monitor and verify the accuracy of the retail prices reported by vendors.

XIX. DELIVERABLE FUEL PURCHASING OPTIONS

The Department will continue to explore options to purchase home heating oil on behalf of CEAP households. These options may include, but are not limited to, “off season” purchasing, “pre buy” and vendor/wholesaler bidding. The implementation of any of these purchasing options may require the establishment of a state receivable account.

XX. INTAKE PILOT

Pending the availability of administrative funds, the Department is interested in exploring options concerning the development of a pilot for CEAP year round intake. The objective of the pilot is to develop and implement a system which will more effectively manage the CEAP caseload. The initiative will focus on restructuring the CEAP caseload by establishing a year round schedule for intake and eligibility determinations/redeterminations. It is anticipated that shifting the caseload to a twelve month intake period could alleviate the large numbers of clients attempting to apply for CEAP benefits during the winter months. While the pilot proposes to expand program intake, all services and benefits will still be provided in accordance with the limits and dates established in this Plan.

XXI. INFORMATION AND REFERRAL

The State of Connecticut will work with others, including local governments and other private human services providers, to implement localized information and referral systems that will address the needs of CEAP eligible households who have exhausted all of their benefits. Infoline will continue to serve as the referral network system, and will work to identify services for CEAP households in order to alleviate crisis situations following exhaustion of benefits.

DSS will provide to all of its recipient households energy assistance notifications, informing them of the availability of benefits and where to apply. Referral flyers describing fuel assistance programs, weatherization services, energy conservation loans and private fuel banks are made available at DSS and CAA offices.

CAAs will continue to maintain a network of approximately 120 intake sites throughout the state (i.e., senior citizen centers, utility offices, municipal social services offices, etc.). In addition, CAAs will assist homebound households in applying for CEAP benefits. This may involve the utilization of mail-in applications or the performance of outreach visits to homebound households.

CAAs use a single application to determine eligibility for the CEAP, as well as for weatherization services. Households with incomes at or below 60% of the state median income are income eligible for weatherization services. In addition to the U. S. Department of Energy weatherization program, additional services for these households are also coordinated with the Weatherization Residential Assistance Partnership (WRAP) and UIHelps. WRAP and UIHelps are utility funded weatherization programs which are operated by the CAAs. WRAP and UIHelps enter into written agreements with the CAAs for the provision of weatherization services/materials to low income households.

These weatherization services/materials, which are provided to households at no cost, include caulking, weather-stripping, attic insulation, sidewall insulation, pipe and heating duct insulation, hot water heater wrapping, heating system repairs/replacements and window/door repairs. In order to qualify for WRAP and UIHelps, households must have been approved by the CAA and must meet other criteria, (i.e., high usage, high arrearage, etc.).

Efforts will be made to identify other energy resources, either municipal, charitable or private (such as Operation Fuel and the Soldiers', Sailors' and Marines' Fund), which may be available to low income households. The Department will work with these providers, and other state agencies and municipalities, to establish a coordinated response to alleviate potential crises due to a low income household's inability to pay for heat. This response may include such actions as providing alternative housing arrangements, such as referral to shelters, as well as direct service intervention, when appropriate, by protective services agencies.

Operation Fuel is a private, non-profit organization which distributes privately raised funds through a network of fuel banks that accept and approve applications from households in need of emergency fuel oil deliveries or protection against utility shut-offs. Operation Fuel provides assistance to households with incomes up to 200 percent of the federal poverty guidelines. Those households which meet the Operation Fuel guidelines are issued referrals by the CAA for these benefits.

In addition, Operation Fuel can, as funding permits and with the approval of its Board of Directors, on an annual basis provide limited assistance to CEAP eligible households who are facing a crisis because they have exhausted all available CEAP benefits, or because they did not apply for CEAP benefits by the required deadlines.

XXII. ASSURANCE 16 ACTIVITIES

In accordance with LIHEAP regulations, and pending the availability of funds, CAAs will provide enhanced case management in an effort to assist low-income households in reducing their overall energy needs/burden. Such services shall include, but are not limited to, risk assessment, counseling, energy education/awareness and assistance with energy suppliers/vendors. These services are aimed at enabling households to achieve a greater degree of energy self-sufficiency.

XXIII. BUDGET

A. The estimated LIHEAP budget for 2010/2011 is derived as follows:

| | |
|-------------------|--------------------------------------|
| \$ 52,675,663 | 2011 LIHEAP Block Grant (est.) |
| 8,792,838 | 2011 LIHEAP Contingency Funds (est.) |
| <u>10,573,463</u> | 2010 Carry-Forward Funds (est.) |
| \$ 72,041,964 | Total 2010/2011 (est.) |

B. LIHEAP benefit payment/administration breakdown¹

| | |
|----------------|------------------------------------|
| \$ 64,895,114 | LIHEAP Benefit Payments |
| 6,146,850 | LIHEAP Administration ² |
| 750,000 | Assurance 16 |
| 100,000 | LIHEAP SNAP |
| <u>150,000</u> | Clean, Tune & Test |
| \$ 72,041,964 | |

C. Estimates of the 2010/2011 LIHEAP caseload:

| | |
|------------------------------------|----------|
| Total eligible households | - 97,500 |
| Total eligible with elderly | - 27,600 |
| Total eligible with disabled | - 28,800 |
| Total eligible with young children | - 22,600 |

Of the total estimated 2010/2011 LIHEAP eligible caseload, we anticipate that 28.3% will have elderly members, 29.5% will have disabled members and 23.2% will have a young child/children.

D. Footnotes to Section XXIII., Budget

- 1 To the extent that a reduction in funds available under LIHEAP requires modification of the administrative and/or Assurance 16 budgets, DSS shall make such reallocation as is necessary.
- 2 Includes funds for program audits. DSS may require changes in the details of CEAP management and staffing at a CAA as a condition of awarding administrative funds to a CAA, when such changes are judged necessary by DSS to ensure that the funds awarded will have a significant positive impact on program performance.